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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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| In re: | : | Chapter 11 |
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| SOURCE ENTERPRISES, INC., <u>et al.</u> , | : | Case No. 06-11707 (AJG) |
| | : | |
| Debtors. | : | (Jointly Administered) |
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**COUNTER-DESIGNATION OF CONTENTS FOR RECORD ON APPEAL AND
RESPONSE TO STATEMENT OF ISSUE PRESENTED**

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, Source Enterprises, Inc. (“Enterprises” or “Appellee”), the Reorganized Debtor and successor-in-interest to all of the debtors (collectively, the “Debtors”)¹ in the above-captioned Chapter 11 cases (the “Chapter 11 Cases”), respectfully submits this counter-designation (the “Counter-Designation”) of items to be included in the record, and response to the statement of issue presented, on appeal to the United States District Court for the Southern District of New York from the following Order of the United States Bankruptcy Court for the Southern District of New York in the Chapter 11 Cases:

¹ The Debtors include Enterprises, Source Entertainment, Inc., Source Magazine, LLC and also each of the following entities and pseudonyms by which Enterprises, Entertainment and/or Magazine have been known and/or done business, including: Source Entertainment, LLC, a California company; Source Holdings LLC, a Delaware company; Source Merchandising LLC, a New York company; The Source.com, LLC, a New York company; Source Sound Lab, LLC, a Delaware company; Source Music, LLC, a New York company; Source Broadcast Media, LLC, a New York company; The Source; Source Publications, Inc.; Source Magazine; The Source Magazine; The Source Awards; Hip-Hop Hits, Source Sports, Unsigned Hype LLC, and Source Media and Merchandising, Inc.

Order Disallowing Amended Final Application of Windels Marx Lane & Mittendorf, LLP for Allowance and Payment of Compensation and Reimbursement of Expenses (the “Order”) [Docket No. 486].

On April 9, 2008, Windels Marx Lane & Mittendorf, LLP (the “Appellant”) served a *Notice of Appeal* [Docket No. 487] regarding the Order (the “Appeal”). Subsequently, on April 21, 2008, Appellant distributed its *Designation of Contents for Inclusion in Record on Appeal and Statement of Issue[] on Appeal* [Docket No. 489] (the “Appellant’s Designation”).

The Appellee respectfully submits this Counter-Designation in response to the Appellant’s Designation.

**I. Counter-Designation Of Documents
To Be Included In The Record On Appeal**

Appellee designates the following additional items from the Chapter 11 Cases and the related adversary proceedings, numbers Adv. No. 07-01943 (AJG) and Adv. No. 07-01987 (AJG), for inclusion in the record on Appeal:²

Bankruptcy Cases No. 06-11707 (AJG) (Jointly Administered)

1. Opinion Regarding Amended Application of Windels Marx Lane & Mittendorf, LLP for Compensation and Reimbursement of Expenses [Docket No. 483];
2. Order Disallowing Amended Final Application of Windels Marx Lane & Mittendorf, LLP for Allowance and Payment of Compensation and Reimbursement of Expenses [Docket No. 486];
3. Second Amended Application for Interim and Final Financing Orders Authorizing Post-Petition Secured Financing [Docket No. 34];
4. Final Order Authorizing Secured Financing Pursuant to Section 364 of the Bankruptcy Code [Docket No. 73];
5. Order Authorizing Withdrawal of Windels Marx Lane & Mittendorf, LLP as Attorneys for the Debtor [Docket No. 143];
6. Stipulation and Agreed Order Authorizing Continued Secured Financing [Docket No. 173];

² Each of the documents designated herein to be included in the record on Appeal includes all exhibits, schedules and other attachments related to such documents. Similarly, it is the Appellee’s understanding and belief that all documents designated in the Appellant’s Designation to be included in the record on the Appeal include all exhibits, schedules and other attachments related to such documents. If this understanding and belief is incorrect, the Appellee hereby designates to be included in the record on Appeal all exhibits, schedules and other attachments related to the documents specified in the Appellant’s Designation and introduced and admitted at trial.

7. Application of Windels Marx Lane & Mittendorf, LLP, for a Final Award of Compensation and Reimbursement of Expenses for the Period July 27, 2006 though February 28, 2007 [Docket No. 181];
8. Objection of the United States Trustee Regarding Application of Windels Marx Lane & Mittendorf, LLP, for a Final Award of Compensation and Reimbursement of Disbursements [Docket No. 208];
9. Statement of Official Committee of Unsecured Creditors in Response to Application of Windels Marx Lane & Mittendorf, LLP for a Final Award of Compensation and Reimbursement of Disbursements [Docket No. 218];
10. Objection to Application of Windels Marx Lane & Mittendorf, LLP for a Final Award of Compensation and Reimbursement of Expenses for the Period July 27, 2006 through February 28, 2007 [Docket No. 281];
11. Debtors' Objection to Application of Windels Marx Lane & Mittendorf, LLP, for a Final Award of Compensation and Reimbursement of Expenses for the Period July 27, 2006 through February 28, 2007 [Docket No. 286];
12. Notice of Presentment of Order Pursuant to Section 105(a) of the Bankruptcy Code Directing that Certain Orders in the Chapter 11 Case of Source Enterprises, Inc. be Made Applicable to Cases Filed by Affiliates [Docket No. 204];
13. Order Pursuant to Section 105(a) of the Bankruptcy Code Directing that Certain Orders in the Chapter 11 Case of Source Enterprises, Inc. be Made Applicable to Cases Filed by Affiliates [Docket No. 211];
14. Source Debtors' Amended and Consolidated Summary of Schedules and Schedules [Docket No. 212];
15. Source Debtors' Amended and Consolidated Statement of Financial Affairs [Docket No. 213];
16. Source Debtors' Second Amended and Consolidated Summary of Schedules and Schedules [Docket No. 252];
17. Source Debtors' Second Amended and Consolidated Statement of Financial Affairs [Docket No. 253];
18. Joint Application of Windels Marx Lane & Mittendorf, LLP and Gruber Palumberi Raffaele, P.C. for an Order Directing Source Enterprises, Inc. and Black Enterprise/Greenwich Street Corporate Growth Partners, L.P., Jointly and Severally, to Pay Legal and Accounting Expenses and Reimburse Disbursements in Accordance with the Terms of this Court's Interim Compensation Order [Docket No. 329];

19. Notice of Second Amendment and Waiver Extending Maturity Date of Amended and Restated DIP Credit Facility Secured Promissory Note [Docket No. 332];
20. Affidavit of Service [of Notice of Second Amendment and Waiver Extending Maturity Date of Amended and Restated DIP Credit Facility Secured Promissory Note] [Docket No. 335];
21. Supplemental Objection to Amended Application of Windels Marx Lane & Mittendorf, LLP for a Final Award of Compensation and Reimbursement of Expenses for the Period July 27, 2006 through February 28, 2007 [Docket No. 448];
22. Debtors' Supplemental Objection to Amended Application of Windels Marx Lane & Mittendorf, LLP for a Final Award of Compensation and Reimbursement of Expenses for the Period July 27, 2006 through February 28, 2007 [Docket No. 449];
23. Supplemental Objection of the United States Trustee Regarding Application of Windels Marx Lane & Mittendorf, LLP for a Final Award of Compensation and Reimbursement of Disbursements [Docket No. 450];

Adversary Proceeding No. 07-01943 (AJG)

24. Complaint [by Windels Marx Lane & Mittendorf, LLP against the Debtor and others for payment of legal fees and related relief] [Docket No. 1];
25. Motion to Dismiss Under Fed. R. Bankr. P. 7012 and Fed. R. Civ. P. 12(b)(1) and (6) [Docket No. 5];
26. Motion to Dismiss Adversary Complaint [Docket No. 6];
27. Supplement to Memorandum of Law in Support of Motion to Dismiss Under Fed. R. Bankr. P. 7012 and Fed. R. Civ. P. 12(b)(1) and (6) [Docket No. 8];
28. Notice of Dismissal Pursuant to Federal Rule of Bankruptcy Procedure 7041 [Docket No. 9];

Adversary Proceeding No. 07-01987 (AJG)

29. Complaint [by Windels Marx Lane & Mittendorf, LLP against the Debtor and others for payment of legal fees and related relief] [Docket No. 1];
30. Motion to Dismiss Under Fed. R. Bankr. P. 7012 and Fed. R. Civ. P. 12(b)(1) and (6) [Docket No. 4];
31. Motion to Dismiss Adversary Complaint [Docket No. 5]; and

32. Notice of Dismissal Pursuant to Federal Rule of Bankruptcy Procedure 7041 [Docket No. 9].

II. Counter-Statement Of Issues On Appeal

33. In accordance with Rule 8010(a)(2) of the Federal Rules of Bankruptcy Procedure, Appellee reserves the right to present a counter-statement of issues on Appeal in its appellate brief.

III. Reservation Of Rights

34. Appellee reserves the right to: (a) supplement, amend or modify this Counter-Designation as appropriate, (b) move to strike items designated in Appellant's Designation that are inappropriate, and (c) make any related arguments as to the propriety of including in the record on Appeal any items designated in Appellant's Designation.

Dated: May 1, 2008
New York, New York

**CURTIS, MALLET-PREVOST,
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